

Message Text

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61

ACTION ARA-20

INFO OCT-01 ISO-00 EB-11 COME-00 TRSE-00 INT-08 SCEM-02

SCI-06 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00

NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20 USIA-15 OMB-01

DRC-01 /127 W

----- 044080

R 182230Z DEC 73

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 5792

INFO AMEMBASSY CARACAS

AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A

TAGS: ENRG, CS

SUBJECT: PETROLEUM: STATUS OF FOREIGN DISTRIBUTORS

REF: (A) SAN JOSE 3986; (B) SAN JOSE 4222

1. SUMMARY: REMARKS MADE OVER THE WEEKEND BY JAPDEVA
MANAGER HERNAN GARRON MAY BODE ILL FOR THE STATUS
OF THE FOREIGN DISTRIBUTORS IN COSTA RICA. END SUMMARY.

2. ACCORDING TO NEWSPAPER ACCOUNT, GARRON, IN A
SPEECH GIVEN AT THE LIMON HEADQUARTERS OF THE RECOPE
WORKERS SYNDICATE IN THE PRESENCE OF PRESIDENT
FIGUERES AND MINISTER KOGAN, DESCRIBED THE EXISTING
CONTRACTS BETWEEN RECOPE AND THE DISTRIBUTORS AS THE
"MOST UNJUST THAT HAVE BEEN GIVEN OUT IN THE COUNTRY".
GARRON ACCUSED THE DISTRIBUTORS OF MAKING AN
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EXCESSIVE PROFIT OF 40 CENTS (COSTA RICAN) PER GALLON

ON GASOLINE BROUGHT FROM THE LIMON AREA TO SAN JOSE IN COMPARISON WITH THE 87 CENTS GAINED BY RECOPE PER GALLON, WHICH, PRESUMABLY, GOES TO PAY FOR MUCH HIGHER OPERATING COSTS. GARRON ALSO COMPARED THE FOREIGN DISTRIBUTORS' EARNINGS TO GASTICA'S, WHICH HE PLACED AT A MUCH LOWER 10 CENTS A GALLON.

3. GARRON WENT ON TO SAY THAT NOW THAT THE GOCR HAS SUCCEEDED IN NATIONALIZING RECOPE, THIS PROFITEERING SHOULD STOP. AT THIS POINT, PRESIDENT FIGUERES APPEARS TO HAVE INTERRUPTED WITH THE REMARK THAT "FROM THIS COMES THE FUROR OVER THE TRANSFER OF THE REFINERY TO THE GOVERNMENT".

4. COMMENT: THE GARRON SPEECH WAS PROBABLY NOT MUCH MORE THAN POLITICS AS USUAL. ONE INDUSTRY REPRESENTATIVE HAS SAID THAT THE PLN IS CONVINCED THAT THE DISTRIBUTORS ARE NOW OUT TO SABOTAGE THE PLN FOR THE TRANSFER OF RECOPE TO THE GOCR. THIS WOULD EXPLAIN PRESIDENT FIGUERES' INTERVENTION IN THE GARRON SPEECH. IT IS ALSO CONSISTENT WITH THE HISTORICAL PROBLEMS EXISTING BETWEEN THE FOREIGN DISTRIBUTORS AND RECOPE WHICH DATE BACK TO THE INITIAL MONOPOLY GIVEN RECOPE OVER THE SALE OF REFINED PRODUCT UP TO THE PRESENT RECOPE SALES CONTRACT, WHICH ORIGINALLY CALLED FOR DISSOLUTION OF THE FOREIGN DISTRIBUTORSHIPS. WHILE THE EXISTENCE OF AN ADVERSARY POSITION CANNOT BE DENIED, IT SEEMS LIKELY THAT THE PLN IS PROBABLY LESS PARANOIAC THAN CRAFTY--POINTING TO AN OBSTRUCTIONIST ROLE ON THE PART OF THE FOREIGN DISTRIBUTORS IS PROBABLY A GOOD WAY TO CONFUSE THE ISSUE OF THE RELATIVE MERITS OF THE TRANSFER CONTRACT BY TRYING TO SHIFT THE BLAME FOR MANY OF THE COUNTRY'S CURRENT WOES ON THE SHOULDERS OF THE DISTRIBUTORS. THIS INTERPRETATION IS LENT SUPPORT BY A FULL PAGE AD PLACED IN THE DECEMBER 17 ISSUE OF LA NACION WHICH REPRODUCES THE CORRESPONDENCE RECEIVED FROM THE FOUR FOREIGN DISTRIBUTORS EXPLAINING THEIR INABILITY TO COMPLY WITH MINISTER KOGAN'S REQUEST MADE ON NOVEMBER 27 TO COME UP WITH 25,000 GALLONS EACH OF REFINED GASOLINE. (SEE REFERENCE B.) THE AD BEARS THE HEADLINE "AND EVEN LIMITED OFFICIAL USE

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WITH THIS--THE COUNTRY IS NOT YET PARALYZED." PUBLICATION OF THIS AD SEEMS TO BE CONTRARY TO EARLY ASSURANCES WHICH MINISTER KOGAN GAVE AN EMBOFF THAT HE WOULD NOT INFORM THE PRESS OF THE DISTRIBUTORS' FAILURE TO MEET HIS REQUEST. AS FAR AS GARRON'S REMARKS ABOUT THE OVERLY HIGH PRICES CHARGED BY THE DISTRIBUTORS, THIS COULD BE MEANT TO PAVE THE WAY FOR EVENTUAL ABSORPTION BY THE DISTRIBUTORS OF A NEW 5 CENT TAX ON

GASOLINE SOLD BY RECOPE WHICH WAS RECENTLY SIGNED
INTO LAW BY THE PRESIDENT.
VAKY

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